

*Week of January 11<sup>th</sup> to 15<sup>th</sup>, 2021*



# Legislative Update

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January 15<sup>th</sup> is the 5<sup>th</sup> day of the legislative session and 525 bills have been introduced.

The City of Scottsdale is currently tracking 31 bills that have potential impact to municipal functions.

The Legislature began its session on Monday and leadership positions in each chamber were elected by majority vote. The Governor gave his annual [State of the State address](#) virtually from his office in response to the coronavirus pandemic. The Governor laid out his agenda and spent much of his time speaking about COVID and its impact on children, families, and the economy.

He also said some of his priorities for the legislative session will include: tax reform and reductions; COVID liability protections; modernizing the Tribal Gaming Compact; broadband expansion; telemedicine expansion; bridge and road construction funding; law enforcement and criminal justice reform; and new measures to reduce the risk of wildfires.

The Governor also released his proposed budget today. Three main components are believed to be:

1. Expansion of rural broadband;
2. Funding for body cameras for DPS Troopers;
3. **Income tax cuts**
  - a. **up to \$200 million cut in 2022 and increasing to \$600 million in 2024.**

As a reminder, cities receive 15% of annual state income tax revenues as part of their state shared revenues. **Depending on how and if these cuts are implemented there could be a tremendous impact on local government revenues!**

## **Other Key Issues:**

Short Term Rentals – As some of you may know, Senator Kate Brophy McGee was one of our legislative champions for introducing legislation to remedy the negative issues resulting from the expansion of short-term rentals. She was not re-elected. In her absence, Representative John Kavanagh has indicated he will be running the main short-term rental bill this year. It is rumored the bill may focus on establishing reasonable zoning restrictions allowing local governments to better manage the location of short-term rentals. The bill has not yet been introduced. Representative Aaron Lieberman has reintroduced his bill which would repeal the original short-term rental pre-emption bill (SB 1350), but it is not expected to see any action.

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## New Legislation

**HB 2285 – Online Home Sharing; Repeal** – Would repeal statutes which forbid municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes.

**Status:** *Introduced by Representative Aaron Lieberman (D-Paradise Valley) and has not been assigned to a committee.*

**Recommendation:** *Support*

**HB 2108 – Telecommunications; Public Highways; Fees** – Would prohibit cities from requiring an annual telecommunications fee based on the number of linear feet of trench in public rights-of-ways in which the telecommunications company has placed small cell wireless facilities.

**Status:** *Introduced by Representative Jeff Weninger (R-Chandler) and will be heard in the House Commerce Committee on Tuesday, January 19<sup>th</sup>.*

**Recommendation:** *Oppose. As written the legislation would negatively conflict with city ordinances and annual revenues base on these fees.*

**HB 2161 – Tourism Marketing Authorities** – Allows the governing body of one or more municipalities and/or of a county with a population of less than 2 million persons (all but Maricopa County) to adopt a resolution, on presentation of a petition signed by the owners of at least 67 percent of the transient lodging rooms in the geographic area, forming a “tourism marketing authority” to promote and enhance tourism in that geographic area. Establishes powers and duties of a tourism marketing authority, including authorization to levy an assessment of up to \$5 per room on transient lodging rooms sold per night. A tourism marketing authority is governed by a board of directors, and budgeting, recordkeeping and reporting requirements for the board are specified. Establishes a process for termination of a tourism marketing authority

**Status:** *Introduced by Representative Steve Kaiser (R-Phoenix) and will be heard in the House Commerce Committee on Tuesday, January 19<sup>th</sup>.*

**Recommendation:** *Neutral*

**HB 2152 – Police; Camera Recordings; Redactions** – Would require that before a law enforcement agency releases a copy of a video recording from a law enforcement officer's body-worn camera to the public, the law enforcement agency must redact any portion of the video recording that shows the face or an identifiable body part of any person who appears in the video recording if the person is not the subject of a police investigation or enforcement action and the person was located in a private location or in a public location with an expectation of privacy, the person is a victim of or witness to a crime, or the person was in a state of undress and specified

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areas of the person's body were not covered. Does not apply to a person who provides the law enforcement agency with a written wavier to release the video recording without any redactions.

**Status:** *Introduced by Representative John Kavanagh (R-Fountain Hills) and has not been assigned to a committee.*

**Recommendation:** *Pending*

**HB 2211 – TPT; Prime Contracting; Exemptions** – Would change the methodology used for contractors to pay transaction privilege taxes (TPT) for prime contracting. The legislation proposes to exempt home reconstruction from the current prime contacting provisions if the construction does expand the footprint of the existing structure. The construction taxes for these exempted projects would then be paid at the point of sale.

**Status:** *Introduced by Representative Regina Cobb. HB 2404 has not yet been assigned to a committee.*

**Recommendation:** *Oppose. This is part of the City of Scottsdale's Legislative Agenda*

**HB 2248 – Corporation Commission; Electric Generation Resources** – Would prohibit the Arizona Corporation Commission, without express legislative authority, from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. The bill does not prohibit the ACC from setting electricity rates for public service corporations. Retroactive to June 30, 2020.

**Status:** *Introduced by Representative Gail Griffin (R-Hereford) and will be heard in the House Natural Resources, Energy & Water Committee on Tuesday, January 19.*

**Recommendation:** *Pending. This legislation appears to conflict with previous and pending issuances of support by the Council on the energy rules. Staff is further analyzing but wanted to bring it to the Council's attention due to timing.*